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intelligent (pp. 100, 238). But it requires a considerable straining of the point to reconcile this statement with another (p. 165), in which we are given to understand that this same honest and intelligent public is robbed of millions of dollars annually by the railway companies.

Granting the expediency of government ownership of railways, there is a difficulty which the author seems to have overlooked. The oversight, whether intended or not, leaves the reader in the lurch as to the method by which the government may come into possession of the railways. It is suggested that the government may purchase the railways, but on what basis of valuation we are not told.

Die geschichtliche Entwicklung des Zinsfusses in Deutschland von 1895 bis 1908. By DR. HERMANN ALBERT. Leipzig: Duncker u. Humblot, 1910. 8vo, pp. xii+211. M. 5. 50.

The present volume is an elaboration of an earlier essay for which the author was awarded the first prize in the University of Strassburg.

The first part of the book is taken up with a brief account of the theoretical grounds on which the main thesis is based. There is as little novelty about the theoretical grounds advanced, as there is about the manner of stating them. It is stated in definite terms that the problem of interest is one of price and like all problems of price its solution depends on an analysis of supply and demand—in this particular case, the supply and demand for loan-capital (*Geldleihkapital*). The supply of and demand for loan-capital and therefore the rate of interest in a given money market depends upon the rate of earnings or profit (*Gewinnquote*), the international rate of interest, and the elasticity of the media of exchange. It must be observed that the distinction between the rate of profit and the rate of interest presupposes a differentiation of capital into loan and production capital (*Geldleihkapital* and *Produktionkapital*). This distinction is of vital moment. Since the rate of interest is shown to be a reflex of the rate of profit, the rate of profit comes to be the most influential factor in the gradual development of the rate of interest (p. 5). This, however, amounts to nothing more than pushing the query a step farther back, and we are again face to face with a similar problem—what determines the rate of profit?

In the second part of the book, which is given over to a statistical verification of the theories previously advanced, the author meets this question by observing that the rate of profit depends on the size (*Grössengestaltung*) and the producing capacity (*Leistungsfähigkeit*) of the industry; on the monopoly of the industry; and on the technological improvements (pp. 53 ff.). This explanation again falls short of adequacy, for we are still at a loss to know why the rate of profit in the one case, or the rate of interest in the other is what it is. In so far then as this is true, the author has merely succeeded in evading the main question at issue.

The development of the rate of interest is a question which cannot be solved

solely by such mechanical methods as statistical observations, nor by a quantitative analysis of the media of exchange and their elasticity. Statistical observations may very properly serve to indicate the trend in the movement of a given phenomenon, such as the rate of interest, but they cannot give us a satisfactory answer as to why the rate of interest moves in one or another direction. This, it seems, is the more fundamental question and requires for its solution a deeper inquiry into the social and economic factors which play an important rôle in the evolution of the rate of interest.

Basler volkswirtschaftliche Arbeiten. Part II. Stuttgart: W. Kohlhammer, 1911. 8vo, pp. xx+315.

This is the second of a series of investigations of which the first number appeared in 1909. It consists of two monographs, the results of separate investigations, the common purpose of which is to throw some light on the questions whether the tariff is responsible for the high prices of food-stuffs, and whether the corresponding rise in wages is neutralized by these high prices.

The first of these monographs deals specifically with the price of food and its relation to the physical welfare of the laborer. The investigation takes account of some 766 family budgets in twelve German provinces. After a careful chemical analysis of the nutritive qualities of the various food-stuffs the author reaches these conclusions: (a) the time during which the laborer suffers from illness varies inversely as the amount of albumen he is enabled to procure and consume; (b) the increase in the expenses for medical attention is a practical reduction of wages and is to that extent a charge on industry; (c) there is a wage minimum compatible with physical welfare and efficiency and this minimum considered as *real wages* suffers greatly on account of the tariff; (d) lastly, the number of laborers whose wages exceed this minimum and the degree of this excess is to be regarded as an index of the degree of welfare in a country. Moreover, the standard of culture, the efficiency of labor, and the development of industries depend upon the extent of the excess over the wage minimum.

The second monograph has to do with the movement of prices and its relation to the amount of food-stuffs consumed. The investigation in this case is based on the budgets of four families extending respectively over 2, 5, 6, and 6 years. From the analysis of these figures, the author concludes that these families were sufficiently well fed even when there was a slight rise in the prices of food-stuffs, especially of meat. A second rise in prices pressed the families rather hard and a further rise forced them to concentrate their expenditures in most cases on food alone. Furthermore, when the price of meat rose, the consumption of that article fell off, while the use of milk, eggs, and butter increased. Substitution of one article for another seemed to have been general when prices of certain food-stuffs rose greatly.

These conclusions are presumably based upon an interpretation of the